

Senate Engrossed

State of Arizona
Senate
Forty-seventh Legislature
First Regular Session
2005

CHAPTER 111

SENATE BILL 1416

AN ACT

AMENDING TITLE 20, CHAPTER 4, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-826.02; AMENDING TITLE 20, CHAPTER 4, ARTICLE 9, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-1057.09; AMENDING TITLE 20, CHAPTER 6, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-1342.04; AMENDING TITLE 20, CHAPTER 6, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-1412; AMENDING TITLE 20, CHAPTER 13, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-2331; RELATING TO HEALTH INSURANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 20, chapter 4, article 3, Arizona Revised Statutes,
3 is amended by adding section 20-826.02, to read:

4 20-826.02. Subscription contracts; varying copayments and
5 deductibles allowed

6 A. EXCEPT AS PROVIDED IN SECTIONS 20-1379 AND 20-2304, A CORPORATION
7 MAY OFFER ONE OR MORE SUBSCRIPTION CONTRACTS THAT CONTAIN A CHOICE OF
8 DEDUCTIBLES, COINSURANCE, COPAYMENTS, OUT-OF-POCKET AND ANY OTHER COST
9 SHARING LEVELS. PLANS OFFERED UNDER THIS SECTION SHALL CLEARLY DISCLOSE IN
10 MARKETING MATERIALS, CERTIFICATES OF COVERAGE AND CONTRACTS THE INSURED'S
11 FINANCIAL RESPONSIBILITIES. A CORPORATION THAT OFFERS SUCH A SUBSCRIPTION
12 CONTRACT SHALL CONTINUE TO PROVIDE ANY MANDATED HEALTH COVERAGE THAT IS
13 REQUIRED BY THIS STATE OR BY FEDERAL LAW.

14 B. THIS SECTION DOES NOT PROHIBIT A HEALTH BENEFITS PLAN THAT IS
15 INTENDED TO QUALIFY AS A HIGH DEDUCTIBLE HEALTH PLAN AS DEFINED BY 26 UNITED
16 STATES CODE SECTION 223 (c)(2) FROM REQUIRING THE APPLICATION OF DEDUCTIBLES,
17 COPAYMENTS OR COINSURANCE TO BENEFITS PROVIDED UNDER THE HEALTH BENEFITS
18 PLAN.

19 Sec. 2. Title 20, chapter 4, article 9, Arizona Revised Statutes, is
20 amended by adding section 20-1057.09, to read:

21 20-1057.09. Health care services organizations; varying
22 copayments and deductibles allowed

23 A. EXCEPT AS PROVIDED IN SECTIONS 20-1379 AND 20-2304, A HEALTH CARE
24 SERVICES ORGANIZATION MAY OFFER ONE OR MORE HEALTH CARE PLANS THAT CONTAIN A
25 CHOICE OF DEDUCTIBLES, COINSURANCE, COPAYMENTS, OUT-OF-POCKET AND ANY OTHER
26 COST SHARING LEVELS. PLANS OFFERED UNDER THIS SECTION SHALL CLEARLY DISCLOSE
27 IN MARKETING MATERIALS, CERTIFICATES OF COVERAGE AND CONTRACTS THE INSURED'S
28 FINANCIAL RESPONSIBILITIES. A HEALTH CARE SERVICES ORGANIZATION THAT OFFERS
29 SUCH A HEALTH CARE PLAN SHALL CONTINUE TO PROVIDE ANY MANDATED HEALTH
30 COVERAGE THAT IS REQUIRED BY THIS STATE OR BY FEDERAL LAW.

31 B. THIS SECTION DOES NOT PROHIBIT A HEALTH BENEFITS PLAN THAT IS
32 INTENDED TO QUALIFY AS A HIGH DEDUCTIBLE HEALTH PLAN AS DEFINED BY 26 UNITED
33 STATES CODE SECTION 223 (c)(2) FROM REQUIRING THE APPLICATION OF DEDUCTIBLES,
34 COPAYMENTS OR COINSURANCE TO BENEFITS PROVIDED UNDER THE HEALTH BENEFITS
35 PLAN.

36 Sec. 3. Title 20, chapter 6, article 4, Arizona Revised Statutes, is
37 amended by adding section 20-1342.04, to read:

38 20-1342.04. Disability insurance policies; varying copayments
39 and deductibles allowed

40 A. EXCEPT AS PROVIDED IN SECTIONS 20-1379 AND 20-2304, A DISABILITY
41 INSURER MAY OFFER ONE OR MORE DISABILITY INSURANCE POLICIES THAT CONTAIN A
42 CHOICE OF DEDUCTIBLES, COINSURANCE, COPAYMENTS, OUT-OF-POCKET AND ANY OTHER
43 COST SHARING LEVELS. PLANS OFFERED UNDER THIS SECTION SHALL CLEARLY DISCLOSE
44 IN MARKETING MATERIALS, CERTIFICATES OF COVERAGE AND CONTRACTS THE INSURED'S
45 FINANCIAL RESPONSIBILITIES. A DISABILITY INSURER THAT OFFERS SUCH A

1 DISABILITY INSURANCE POLICY SHALL CONTINUE TO PROVIDE ANY MANDATED HEALTH
2 COVERAGE THAT IS REQUIRED BY THIS STATE OR BY FEDERAL LAW.

3 B. THIS SECTION DOES NOT PROHIBIT A HEALTH BENEFITS PLAN THAT IS
4 INTENDED TO QUALIFY AS A HIGH DEDUCTIBLE HEALTH PLAN AS DEFINED BY 26 UNITED
5 STATES CODE SECTION 223 (c)(2) FROM REQUIRING THE APPLICATION OF DEDUCTIBLES,
6 COPAYMENTS OR COINSURANCE TO BENEFITS PROVIDED UNDER THE HEALTH BENEFITS
7 PLAN.

8 Sec. 4. Title 20, chapter 6, article 5, Arizona Revised Statutes, is
9 amended by adding section 20-1412, to read:

10 20-1412. Group and blanket disability insurance policies or
11 contracts; varying copayments and deductibles
12 allowed

13 A. EXCEPT AS PROVIDED IN SECTIONS 20-1379 AND 20-2304, A GROUP
14 DISABILITY INSURER OR A BLANKET DISABILITY INSURER MAY OFFER ONE OR MORE
15 DISABILITY INSURANCE POLICIES OR CONTRACTS THAT CONTAIN A CHOICE OF
16 DEDUCTIBLES, COINSURANCE, COPAYMENTS, OUT-OF-POCKET AND ANY OTHER COST
17 SHARING LEVELS. PLANS OFFERED UNDER THIS SECTION SHALL CLEARLY DISCLOSE IN
18 MARKETING MATERIALS, CERTIFICATES OF COVERAGE AND CONTRACTS THE INSURED'S
19 FINANCIAL RESPONSIBILITIES. A GROUP DISABILITY INSURER OR BLANKET DISABILITY
20 INSURER THAT OFFERS SUCH A DISABILITY INSURANCE POLICY OR CONTRACT SHALL
21 CONTINUE TO PROVIDE ANY MANDATED HEALTH COVERAGE THAT IS REQUIRED BY THIS
22 STATE OR BY FEDERAL LAW.

23 B. THIS SECTION DOES NOT PROHIBIT A HEALTH BENEFITS PLAN THAT IS
24 INTENDED TO QUALIFY AS A HIGH DEDUCTIBLE HEALTH PLAN AS DEFINED BY 26 UNITED
25 STATES CODE SECTION 223 (c)(2) FROM REQUIRING THE APPLICATION OF DEDUCTIBLES,
26 COPAYMENTS OR COINSURANCE TO BENEFITS PROVIDED UNDER THE HEALTH BENEFITS
27 PLAN.

28 Sec. 5. Title 20, chapter 13, article 1, Arizona Revised Statutes, is
29 amended by adding section 20-2331, to read:

30 20-2331. Accountable health plans; varying copayments and
31 deductibles allowed

32 A. EXCEPT AS PROVIDED IN SECTIONS 20-1379 AND 20-2304, AN ACCOUNTABLE
33 HEALTH PLAN MAY OFFER ONE OR MORE HEALTH BENEFITS PLANS THAT CONTAIN A CHOICE
34 OF DEDUCTIBLES, COINSURANCE, COPAYMENTS, OUT-OF-POCKET AND ANY OTHER COST
35 SHARING LEVELS. PLANS OFFERED UNDER THIS SECTION SHALL CLEARLY DISCLOSE IN
36 MARKETING MATERIALS, CERTIFICATES OF COVERAGE AND CONTRACTS THE INSURED'S
37 FINANCIAL RESPONSIBILITIES. AN ACCOUNTABLE HEALTH PLAN THAT OFFERS SUCH A
38 HEALTH BENEFIT PLAN SHALL CONTINUE TO PROVIDE ANY MANDATED HEALTH COVERAGE
39 THAT IS REQUIRED BY THIS STATE OR BY FEDERAL LAW.

40 B. THIS SECTION DOES NOT PROHIBIT A HEALTH BENEFITS PLAN THAT IS
41 INTENDED TO QUALIFY AS A HIGH DEDUCTIBLE HEALTH PLAN AS DEFINED BY 26 UNITED
42 STATES CODE SECTION 223 (c)(2) FROM REQUIRING THE APPLICATION OF DEDUCTIBLES,
43 COPAYMENTS OR COINSURANCE TO BENEFITS PROVIDED UNDER THE HEALTH BENEFITS
44 PLAN.



APPROVED BY THE GOVERNOR APRIL 18, 2005.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 18, 2005.

Passed the House April 12, 2005

by the following vote: 43 Ayes,

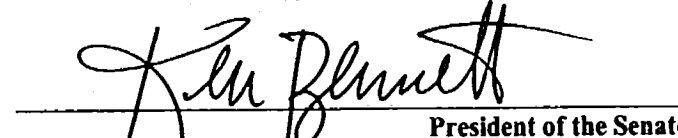
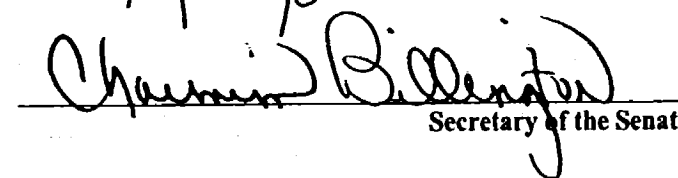
15 Nays, 2 Not Voting


Speaker of the House
Pro Tempore

Chief Clerk of the House

Passed the Senate March 10, 2005

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting


President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

13th day of April, 2005

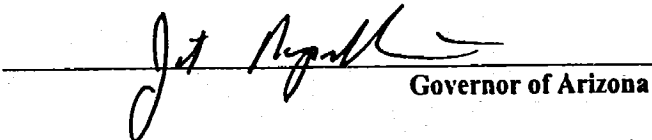
at 12:46 o'clock P. M.


Secretary to the Governor

Approved this 18 day of

April, 2005,

at 200 o'clock P. M.


Governor of Arizona

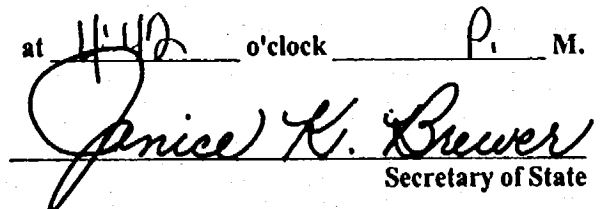
S.B. 1416

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 18 day of April, 2005

at 11:42 o'clock P. M.


Secretary of State